

# **EXHIBIT E**



# United Voices

Gene Gregory – Editor

## HIGHLIGHTS OF THIS ISSUE

- \* **Family Farmers**
- \* **Nine Million  
More Hens**
- \* **Molting & Food  
Safety**
- \* **Have You  
Noticed**

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## Family Farmers

Editorial by: Gene Gregory

Last week, I had the opportunity to visit egg producers on their farms, which is what I have always enjoyed most about my job. I find that we can always learn so much more about what is really important when we visit with a producer at his or her farm. Unfortunately, it is so difficult to find the time anymore for these visits.

My week began with a visit to Mussman's Back Acres near Grant Park, Illinois. The family has been in the grain farming and egg production business for many years. Today, three brothers, Craig, Keith, and Kevin share the workload and divide up the responsibilities of egg production, egg processing/marketing, and grain farming on 1600 acres. They proudly showed me the Diamond 8300 machine they had installed which will make them more efficient. While the egg production business is small in comparison to their grain farming, they still proudly say that their egg business is a core of their business and critically important. They have no intentions of growing beyond their egg market demands and wish others would do the same.

My next visit was to Pearl Valley Eggs near Pearl City, Illinois. David Thompson told me that he and his wife, Terry started the business on a shoestring and has grown it within a few short years to more than 500,000 layers.

The success story began with David growing up in the city with no knowledge of chickens or farming. Out of college he used his elementary education degree to teach first and second grade. There he exposed himself and the children to the business of hatching baby chicks. With a small incubator and eggs provided by a local hatchery, he would hatch chicks in the classroom. After hatching, he took the baby chicks home and when they grew to be layers he sold the eggs to other teachers in the school. He found that he liked producing and selling eggs so the local chick salesman suggested he apply for a job with a rather large egg production company in Illinois. He did so and was hired at the rate of \$3.50 per hour. (Terry must have thought that while a teacher's salary certainly was not very much, this hourly rate was going to have to get better real quick.) Five years later he was managing the company's egg production farm. When the farm was sold, David had to reach a decision about his future in the egg business. He and Terry decided it was time to go into business for themselves and began looking for a farm with a farmhouse where they could begin to build their business. They located near their egg buyer, Mallquist Egg Company, a company that they would eventually purchase.

After visiting in their attractive and very clean offices, David walked me through his processing plant and each of his layer houses. I was amazed that the air was so fresh and clear and that the chickens all appeared so clean and happy. There were no flies (none), and no smell of ammonia. We then visited his composting barns and again found no

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offensive odors, flies, or feathers. There in the composting area, I found that David has been really innovative and has turned manure from a smelly mess into a company asset. He is very private about how he has done this but he surely impressed me.

These visits confirmed to me again that we have real "family farmers" not "factory farms" in the egg business making day-to-day decisions, getting their hands dirty, being good neighbors, good environmental stewards, good employers, participating in community projects, paying their taxes, and working to feed the rest of us. We should thank those that labor for us.

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### Nine Million More Hens

USDA reported the nation's layer flock on June 1<sup>st</sup> to be 7.3 million hens larger than on the same date a year ago. Ken Looper is now estimating the layer flock inventory will be nearly 9 million hens larger by the end of the year 2004, than it was at year's end 2003.

*What happened while I must have been asleep? Did the egg market demand suddenly grow by the volume of production from an additional 9 million hens? Did egg producers suddenly decide they just didn't want to sell eggs for \$1.00 or more? Did egg producers decide they much preferred the days of 70- cent egg prices?*

Pullet chicks hatched during May was up 3% over the same month a year ago and eggs in incubators on June 1<sup>st</sup> were up 2%.

The Animal Care Certified program called for producers to increase cage space per hen with pullet chicks hatched after April 1, 2002. Based upon the audits of 2003 and the audits thus far of 2004, we have been assured that animal care certified companies are meeting the guidelines of either 56 or 59 square inches of cage space. A comparison of the monthly hatch since April 2002 confirms that we have hatched 22.2 million less pullets in the past 26 months when compared to the 26 months proceeding April 2002.

So while we are experiencing a major hatch reduction, we are finding the layer flock increasing. The layer flock on June 1, 2004 is nearly the same as it was in the fall of 2002 but is now being forecast to be as much as 10 million larger by year end than it was at year's end of 2002.

Despite the age of the nation's flock being older, the rate of production is nearly 1% higher than a year ago. Is increasing cage space per hen truly increasing the rate of lay?

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### Midwest Poultry Consortium Scholarships Awarded

UEP was able to award \$4,500 this year for scholarships to 25 students attending the Center of Excellence scholarship program sponsored by the Midwest Poultry Consortium. This money was possible through the Trust that Midwest United Egg Producers set up when they consolidated with UEP. UEP is happy to award this scholarship money to these deserving students.

The students need to be pursuing Poultry Science degrees and they can earn 18 credits for 6 weeks of course work over the period of 2 summers. The COE program started June 14<sup>th</sup>.

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### Animal Care Website

The [www.animalcarecertified.com](http://www.animalcarecertified.com) website has been upgraded and we invite everyone to visit the site for information about the program. Among the many features, you will find a section titled, **Who Are We?** There you will find a list of egg producer/marketer website links. The list is small and we are inviting any egg producer

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with a website to include their address as a link. You may contact Chris Myles at UEP's public relations firm, Golin/Harris at 404-880-4600 for assistance.

You will also find a section titled, **Our Commitment**. There you will find a list of retailers that require their egg suppliers to be animal care certified. If your retail customer is not listed, then please let us know and we will certainly post them on the website.

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### **Veterinary Association Being Attacked By Animal Activist**

A full-page ad in the New York Times was purchased by Animal Rights International, PETA, United Poultry Concerns, and Association of Veterinarians for Animal Rights, for the purpose of discrediting the American Veterinary Medical Association.

The story begins with: "The AVMA veterinarian's oath promises to protect animal health and relieve animal suffering. Yet, astoundingly, the AVMA endorses practices that intentionally make animals sick while supporting some of the cruelest conditions for raising farm animals to be found anywhere in the world."

Yes of course, the story includes comments about AVMA's position that allows egg producers to starve hens for up to 14 days in a procedure called "force molting".

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### **UEP Area Meetings**

Make plans to attend one of UEP's six (6) area meetings. These meetings will provide updates on issues of environment, animal welfare, food safety, spent hens, economics, etc., and an opportunity for input from all members. If like past years, we would expect more than 200 egg producer members to attend. Your input and ideas will play an important role in creating the agenda for UEP's Annual Meeting in October.

The meetings will begin on August 16<sup>th</sup> in Atlanta and conclude on August 26<sup>th</sup> in Seattle. Stops along the way will include meetings in Philadelphia, Columbus, Des Moines, and Ontario, California. A mailing with further details and reservation forms is being sent to all members.

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### **Molting And Food Safety**

There has been the continued question of whether induced molting increases the chances of egg contamination from *salmonella enteritidis*. Based upon a research paper submitted by the USDA-ARS Laboratory in Athens, Georgia, Veterinary Medical Office Dr. Jean Guard Bouldin writes the following review:

*Research now indicates that Salmonella enteritidis generates at least two prominent subpopulations that cooperate to complete the infection pathway from the environment, into the egg, and thus to humans. The research has shown that the cecum of the hen, in contrast to the intestine, is the gastro-intestinal site where the subpopulation that is capable of completing the pathway to egg contamination can first be detected. The other subpopulation aids mucosal invasion and it is easily recovered from the intestine, but it is not recovered from the internal contents of the egg. We have only been able to achieve high incidence egg contamination following low-dose contact infection of the hen without combining subpopulations.*

*The impact of this work is that it suggests that dietary and management factors are important for establishing the balance of the subpopulations. The facts are that Europe, which does not molt, has a much worse problem with egg contamination than does the United States, which molts extensively. Therefore, the facts and the research support that we should not change a management practice that could be maintaining a balance of subpopulations that is skewed against egg contamination in the U.S. There is no scientific evidence that molting is associated with higher*

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incidence egg contamination, even though there is evidence that fecal shedding is increased (P. Holt's work). It is important to stress that increased fecal shedding does not necessarily correlate with increased egg contamination. There is a possibility that the practice of molting is acting as a form of competitive exclusion. Currently, there is no evidence that suggests molting should be avoided for the sake of improving food safety.

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### Annual Meeting Speakers

UEP's Annual Meeting to be held October 22-24 in New Orleans will like past years include some outstanding speakers on timely topics. One of the speakers confirmed for this year's meeting is Trent Loos. Rancher, newspaper and radio personality, Loos is a daily challenge to animal activists and those involved in the environmental movements. He exposes their true missions and regularly reports on their successes and failures in shutting down animal agriculture.

His recent commentaries have exposed Willie Nelson's Farm Aid and their mission against "factory farms" and radio personality, Paul Harvey's connection with PETA and their mission to discredit the FFA school programs.

If you are interested in Tent's weekly news and commentary by email, you are welcome to write him at [trent@loostales.com](mailto:trent@loostales.com).

Speakers are also being arranged for topics on food safety, environmental studies, egg nutrition, marketing, and the International Egg Commission. This along with a full agenda of committee meetings and the board meeting should make it an event that everyone should plan on attending.

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### Have You Noticed

1. That the egg market for both shell eggs and breaking stock are now below last year's levels.
  2. That egg breakers have broken 7% more eggs through week ending June 19<sup>th</sup> than during the same period a year ago.
  3. That 10 million less day old pullets chicks have been added to growing flocks during the first 5 months of 2004 when compared to the same period a year ago.
  4. That hen numbers in Iowa was reported as 42.9 million during May. A 14% increase over a year ago numbers.
  5. That 3.2% more table eggs were produced during the first 5 months of 2004 than during the same period of 2003.
  6. That the rate of lay has average 73.1% during the first 5 months of 2004. That the rate of lay during the same period of 2003 was 72.5%
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### Wanted

50,000 to 100,000 used Phillips plastic flats. Call Linda at the UEP-Iowa office (563) 285-9100.

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